

LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Lease"), made as of the 14th day of April 2004, by and between T J & C Associates, LLC, (Landlord), Investment Properties, Inc. (Landlord Agent), and The City of Rockville (Tenant).

WITNESSETH:

In consideration of the mutual agreements hereinafter set forth, the parties do hereby mutually agree as follows:

1. **PREMISES:** Landlord does hereby lease to Tenant and Tenant does hereby lease from Landlord, for the term and on the conditions hereinafter provided, approximately 3,950 rentable square feet of space (hereinafter referred to as the "Demised Premises"), and known as Unit 201 & 205 of the building situated at 20 Courthouse Square, Rockville, Maryland, 20850, known as the Victoria ("Building"), together with the right to the non-exclusive use, in common with others, of such footways, hallways, and other facilities designated for common use as may be installed by Landlord. The Demised Premises are marked on the plan attached hereto marked as Exhibit A and incorporated herein by reference.

2. **TERM:** For the term of Ten (10) years, commencing June 1, 2004 and ending on the last day of May 2014 unless this Lease is sooner terminated as hereinafter provided.

3. **MINIMUM RENT:** Tenant agrees to pay during the term hereof a minimum annual rent of Ninety-Four Thousand Eight Hundred and 00/100 Dollars (\$94,800.00), payable without diminution, counterclaim, deduction, set-off or demand, in equal monthly installments of Seven Thousand Nine Hundred and 00/100 Dollars (\$7,900.00), the first installment payable on the execution of this lease and the remaining installments payable in advance on the first day of each calendar month during the term of this Lease. Notwithstanding the foregoing, if the term shall commence on a day other than the first day of the calendar month the first installment of rent shall be prorated to take into account the number of days from the term commencement date to the end of such calendar month, and the final installment of rent shall be prorated to take into account the number of days from the first day of the last calendar month of the term to the termination date. All rent and other payments due hereunder from Tenant to Landlord shall be made payable to **Investment Properties, Inc.** and mailed to:

Investment Properties, Inc.
11 N. Washington St. Suite 200
Rockville, Maryland 20850

or to such other person and place as Landlord may hereafter designate in writing. If any installment of rent accruing hereunder or any other sums payable hereunder shall not be paid within five (5) business days after the due date, the rental and such other sums due shall, without affecting any of Landlord's other rights under this Lease, be increased by a late rental charge of 5%, or \$75.00 whichever is greater, per month until paid, time being of the essence of this Lease. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly installment of rent herein stipulated shall be deemed to be other than on account of the earlier stipulated rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Landlord may accept such check for payment without prejudice, to Landlord's right to recover the balance of such rent or pursue any other remedy provided in this Lease. If the Landlord receives two (2) or more payments returned for insufficient funds per year the Landlord may require all future payments in form of registered check.

4. **TAXES:**

A. Landlord shall, in the first instance, be obligated to pay all "Real Estate Taxes" (hereinafter defined). Tenant shall reimburse Landlord, in the manner provided in subsection B of this Paragraph 4, as additional rent and in addition to Minimum Rent and all other payments provided for herein.

B. Tenant covenants and agrees to deposit monthly, at the same time and place as the payment of Minimum Rent, an amount equal to one-twelfth (1/12th) of the actual or Landlord's estimate of Tenant's annual Real Estate Taxes. The first such installment shall be due on the

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(16 pages)

Rent Commencement Date. Any overpayment of Tenant's Percentage Share of the Real Estate Taxes for any "Tax Year" (hereinafter defined) shall be credited to rent thereafter due and payable (or refunded to Tenant if the term of this Lease has expired) and on the due date of Real Estate Taxes any balance of Tenant's Real Estate Taxes not covered by the accumulation of monthly deposits shall be paid by Tenant within fifteen (15) days after Landlord's written demand. Landlord shall not be required to keep said escrow deposits separate from its general accounts and any interest earned on said escrow deposits shall be and remain the property of Landlord. In the event that Real Estate Taxes become payable in advance in the jurisdiction where the Premises are located, Tenant shall, on or before the Rent Commencement Date, reimburse Landlord for that portion of the then current Tax Year's Real Estate Taxes accruing after the Rent Commencement Date which have been paid by the Landlord as of the Rent Commencement Date, together with an amount (equal to the number of whole or partial months that have elapsed since the last due date of Real Estate Taxes time 1/12th of Tenant's Real Estate Taxes) sufficient to bring current it's Real Estate Tax escrow fund as aforesaid.

C. Reasonable expenses, including attorneys' fees, expert witness fees and similar costs, incurred by Landlord in obtaining or attempting to obtain a reduction of any Real Estate Taxes shall be added to and included in the amount of any such Real Estate Taxes. Real Estate Taxes which are being contested by Landlord shall nevertheless be included for purposes of the computation of the liability of Tenant under the above paragraph, provided, however, that in the event that Tenant shall have paid any amount of increased rent pursuant to this paragraph and the Landlord shall thereafter receive a refund of any portion of any Real Estate Taxes on which such payment shall have been based, Landlord shall pay to Tenant the appropriate portion of such refund. Landlord shall have no obligation to contest, object or litigate the levying or imposition of any Real Estate Taxes and may settle, compromise, consent to, waive or otherwise determine in its discretion to abandon any contest with respect to the amount of any Real Estate Taxes without consent to, waive or otherwise determine in its discretion to abandon any contest with respect to the amount of any Real Estate Taxes without consent or approval of the Tenant.

5. **PARKING CHARGES:** Tenant shall be entitled to lease twelve (12) parking spaces on an unreserved basis which shall be leased at the monthly parking rate established by Landlord which is currently \$65.00 per month per space. The Tenant may lease on a month-to-month basis an additional (10) parking spaces at Landlord's normal and customary rate, if available. The Landlord agrees to a (60) sixty-day notice prior to terminating the right to Lease the additional ten parking spaces. The Landlord agrees to provide the Tenant a first offering on additional spaces prior to leasing excess spaces to any outside users. Landlord agrees to maintain monthly rates at an amount consistent with other comparable office space within the Rockville Town Center area.

6. **RENT ADJUSTMENT:** Effective each and every Lease Year after the first Lease Year, the annual Minimum Rent shall be increased by the rate of Three Percent (3%) of the Minimum Rent paid by the tenant during the year preceding each annual increase. For example, if the Minimum Rent for the preceding Lease Year was \$1,000 then the Minimum Rent for the current Lease Year shall be increased to \$1,030. Said escalation shall be inclusive of all annual rental escalations and operating expense increases, insurance, all condominium fees and charges, including any maintenance and repair items as outlined/defined in the condominium documents. No other escalations shall apply through the initial term of this lease.

7. **SERVICES AND UTILITIES:**

A. As long as Tenant is not in monetary default under any of the provisions of this Lease, Landlord shall provide the following utilities and services to Tenant without additional charge to Tenant (except as otherwise provided in this Lease):

- (i) To separately meter the premises for electrical consumption.
- (ii) Automatically operated elevator service.
- (iii) Reasonably adequate electricity seven days a week for normal office purposes to furnish sufficient electrical power to machines of low electrical consumption; provided, however, that Tenant shall bear the costs for such electrical consumption.

(iv) Replacement of light tubes or bulbs for building standard lighting fixtures. All light tube or bulb replacements for special non-standard lighting fixtures shall be furnished and installed at Tenant's expense.

(v) Restroom facilities within the premises and necessary lavatory supplies limited to hot and cold running water and sewer services at those points of supply provided for general use of tenants of the Property; and routine maintenance, painting, and electric lighting service for all public areas and special service areas of the Property in the manner and to the extent deemed by Landlord to be standard for comparable office buildings in the jurisdiction where the Property is located.

(vi) Landlord agrees through the management of the condominium association to maintain and repair all common lobbies and walkways, including parking garage, structural elements such as roof and exterior glass, all exterior landscaping and lighting, and provide exterior dumpsters and regular dumpster pickup.

(vii) Landlord through the management of the condominium association shall repair, in a reasonable period of time, all pipes (water, sewer, steam, etc.), roof, heating and plumbing fixtures, electrical wires and fixtures.

(viii) Landlord shall provide initial suite signage as well as Tenant's company name on both directory boards in the elevator lobbies. Any additional signage or canopy lettering, directory strips etc. are the Tenants expense and subject to the Landlords approval.

(ix) Landlord through the management of the condominium association shall maintain and repair all heating, ventilation and air conditioning equipment which serves the premises and common areas.

B. **Except in the event of Landlord's negligence or willful misconduct**, any failure by Landlord to furnish the foregoing services shall not render Landlord liable in any respect for damages to either person or property, nor be construed as an eviction of Tenant, nor work an abatement of Rent, nor relieve Tenant from Tenant's obligations hereunder. If the equipment or machinery should cease to function properly, Landlord through the management of the condominium association shall use reasonable diligence to repair or replace the same.

8. **SECURITY DEPOSITS:** Tenant agrees to pay Landlord, at the signing of this Lease, -NONE as security for proper compliance with terms of this Lease. Said security deposit is to be reimbursed to Tenant, without interest, upon expiration of this Lease and when the Premises are properly vacated, provided no deductions are necessary due to damage to the Premises, or for any rent or other payment due and not paid, or in accordance with any provision of this Lease. Tenant may not use said security deposit as rent. Landlord shall reimburse Tenant after the Premises have been vacated and inspected and keys returned, but not later than sixty (60) days after Tenant has vacated.

9. **LEASEHOLD IMPROVEMENTS AND ALTERATIONS:** Landlord, at Landlord's expense, agrees at its cost, to provide Tenant with leasehold improvements as specified in Exhibit "B" attached hereto and made apart hereof.

10. **USE OF PREMISES:** Tenant covenants (a) to use the Premises only for purposes of general office use; and (b) to permit Landlord to transmit heat, air conditioning and electric current through the Premises at all times at the discretion of Landlord, provided, however, that Landlord shall not exercise this right in such a way as to unreasonably inconvenience Tenant or interfere with Tenant's use of Premises.

11. TENANT'S AGREEMENTS: Tenant covenants and agrees:

A. To pay to Landlord said Minimum Rent, additional and other rent amounts during the term and until possession of the Premises is redelivered to Landlord free and clear.

B. To pay directly to Pepco the cost for the use of all electrical consumption to the premises.

C. Other than for Landlord's negligence or willful misconduct, to save Landlord harmless and indemnify from all loss, damage, liability or expense incurred, suffered or claimed by any person whomsoever by reason of Tenant's neglect or use of the Premises, Land or Building or of anything therein, or the common areas and facilities in or adjacent thereto; or of water, steam, electricity or other utility; or by reason of any injury, loss or damage to any person or property upon the Premises not caused by the negligence or willful misconduct of Landlord and to be answerable for all nuisances caused or suffered on the Premises, or caused by Tenant in the Building, Land or common areas and facilities or on the approaches thereto.

D. Not to strip or overload, damage or deface the Premises or hallways, stairways, elevators, common areas and facilities or other approaches thereto, of the Building, or fixtures therein or used therewith, nor to permit any hole to be made in any of the same.

E. Not to suffer or permit any trade or occupation to be carried on or use made of the Premises which shall be unlawful, noisy, offensive or injurious to any person or property, or such as to increase the danger of fire or affect or make void or voidable any insurance on the Building, or which may render any increased or extra premium payable for such insurance, or which shall be contrary to any law or ordinance, rule of regulations, from time to time established by any public authority with jurisdiction over the demised premises. Tenant expressly agrees to conform to all rules and regulations from time to time established by the Insurance Rating Bureau of the jurisdiction in which the Premises are located.

F. Not to move any furniture or equipment into or out of the Premises except at such times and in such manner as Landlord may

from time to time designate, which approval shall not be unreasonably withheld or delayed,

G. Not to place upon the interior or exterior of the Building or any window or any part thereof or door of the Premises any placard, sign, lettering, window covering or drapes, except such and in such place and manner as shall have been first approved in writing by Landlord, which approval shall not be unreasonably withheld or delayed.

H. That all automobile parking areas, driveways and other facilities furnished by Landlord including employee parking areas, facilities and improvements provided by Landlord for the general use in common of tenants, their agents, employees, invitees and customers shall at all times be subject to the exclusive control and management of Landlord. Landlord shall have the right to restrict parking by tenants, their agents and employees to designated areas. Landlord shall have the right to tow or have towed any vehicle owned and/or operated by Tenant or its personnel, which violates the parking rules as reasonably established by Landlord from time to time without written notice to the owner of such vehicle. Tenant and/or the owner of such vehicle shall be responsible for and agree to pay upon demand all towing and storage charges.

I. To conform to all rules or regulations of the Building as shown on Exhibit C hercof. Tenant further agrees to conform to all additional or different Building rules and regulations as may reasonably be established by Landlord from time to time.

12. LANDLORD'S RIGHT OF ACCESS: Landlord shall have the right with reasonable notice to enter the Premises during usual business hours for the purpose of inspecting or making repairs to the Premises or Building. If the repairs necessitate the cutting of any carpeting belonging to Tenant, Landlord shall have no obligation to replace said carpeting but shall repair same back to original condition, wear and tear excepted. Landlord shall have the right to show the Premises to prospective tenants during the last six (6) months of the Lease term, as long as it is scheduled by prior appointment by Tenant.

13. ALTERATIONS: Tenant will not paint the Premises or make or permit anyone to make any alterations in or additions to the Premises, nor will Tenant install any equipment of any kind that will require any alterations or additions to or the use of the water system, heating system, plumbing system, air conditioning system or electrical system, nor will Tenant install a television antenna or air conditioning units of any type on the roof, in the windows or upon the exterior of the Premises without the prior written consent of Landlord, which consent shall not be unreasonably withheld. However Landlord may withhold its consent, in its sole discretion, to alterations which alter the structure of the building or any of the systems such as HVAC, plumbing and fire and life safety, unless such alterations are necessary to comply with codes (life, safety, building etc.) Landlord shall be notified of all alterations, code or other, prior to

the inception of the work. If any such alterations or additions are made without such consent, Landlord may correct or remove them, and Tenant shall be liable for any and all expenses incurred by Landlord in the performance of this work. At the termination of this Lease all such alterations or improvements made to the Premises shall remain on the Premises and become the property of Landlord, unless Landlord directs that such alterations or improvements be removed, in which event Tenant shall restore the Premises to their original condition.

14. **DAMAGE TO BUILDING OR PREMISES:** If the Premises are damaged or destroyed by fire or other casualty from any cause, so as to render the Premises unfit for use and occupancy, and such damage and destruction was without the fault or neglect of Tenant, his servants, employees, agents, invitees or licensees, then a just and proportionate part of the rent, in accordance with the nature and extent of the injury to Premises, shall be suspended or abated until the Premises have been repaired. Landlord will proceed at its expense, as expeditiously as practicable, to repair the damage. In the event either the Landlord or the Tenant reasonably determines that the damage may not be repaired within sixty (60) days after the casualty, then either the Landlord or the Tenant may terminate this Lease by giving the other party written notice of its intention to terminate within Twenty (20) days after the date of the casualty. Notwithstanding the foregoing, in case the fire or other casualty shall be caused by the carelessness, negligence or improper conduct of Tenant, its agents, servants, employees, visitors or licensees then, Tenant shall be liable for the full amount of rental during the period of restoration or until cancellation, and all required repairs shall be made at Tenant's expense. In no event shall Landlord be required to repair, restore or rebuild any portions of the Premises constituting a part of Tenant's trade fixtures, equipment or personal property. No compensation or claim will be paid by Landlord, or diminution of rent allowed by Landlord, by reason of inconvenience, annoyance or injury to business arising from the necessity of repairing any other portion of the Building, however the necessity may occur.

15. **HOLD HARMLESS; INSURANCE:** Other than for Landlord's negligence or willful misconduct, subject to the local government Tort Claims Act, Tenant agrees that it will indemnify and save Landlord and its agent(s) harmless of and from any and all liabilities, damages, causes of action, suits, claims, judgments, costs and expenses of any kind (including attorneys' fees) (i) relating to or arising from the possession, use, occupation or control of the Premises, or any portion thereof, or (ii) resulting from any default, violation or nonperformance of this Lease by Tenant, or (iii) resulting from injury to person or property or loss of life sustained in or about the Premises, or (iv) arising from or in connection with any act or omission of Tenant or Tenant's agents, employees or invitees. To assure such indemnity, Tenant shall carry and keep in full force and effect at all times during the term of this Lease for the protection of Landlord, its agent(s) and Tenant herein, public liability insurance with limits of at least One Million Dollars (\$1,000,000.00) for each accident and Five Hundred Thousand Dollars (\$500,000.00) for each separate injury, and property damage insurance in the amount of One Hundred Thousand Dollars (\$100,000.00). Tenant certifies that Landlord and its agent(s) shall be maintained at all times as a Certificate Holder under such insurance policy. In the event Tenant shall fail to maintain such policy of insurance then Landlord may, after three (3) days' written notice to Tenant, obtain such policy and pay the premium thereon and the amount so paid shall be added to the next installment of Minimum Rent. It is understood and agreed that all personal property, goods, wares and merchandise in the Premises shall be and remain at the sole risk of Tenant or those claiming through Tenant, and Landlord shall not be liable for any damage to or loss of such personal property, goods, wares and merchandise arising from bursting, overflowing or leaking of the roof or of water, sewer or steam pipes, or from heating or plumbing fixtures, or from handling of electrical wires or fixtures or from any other cause whatsoever, unless said damages are caused through the gross negligence of Landlord. Tenant certifies that it has either obtained its own insurance coverage for losses to personal property of any kind, which may be in or on the Premises or has decided to self-insure for such losses.

16. **SUBORDINATION:** This Lease shall be subject to and subordinate at all times to the lien of any mortgages and/or deeds of trust and all land leases now or hereafter made on the Landlord or Building or Premises, and to all advances made or hereafter to be made thereunder. This subordination provision shall be self-operative and no further instrument of subordination shall be required.

17. **ATTORNMEN:** If any proceedings are commenced for the foreclosure of any mortgage or deed of trust encumbering the Land, Building or Premises, Tenant agrees to attorn to

the inception of the work. If any such alterations or additions are made without such consent, Landlord may correct or remove them, and Tenant shall be liable for any and all expenses incurred by Landlord in the performance of this work. At the termination of this Lease all such alterations or improvements made to the Premises shall remain on the Premises and become the property of Landlord, unless Landlord directs that such alterations or improvements be removed, in which event Tenant shall restore the Premises to their original condition.

14. **DAMAGE TO BUILDING OR PREMISES:** If the Premises are damaged or destroyed by fire or other casualty from any cause, so as to render the Premises unfit for use and occupancy, and such damage and destruction was without the fault or neglect of Tenant, his servants, employees, agents, invitees or licensees, then a just and proportionate part of the rent, in accordance with the nature and extent of the injury to Premises, shall be suspended or abated until the Premises have been repaired. Landlord will proceed at its expense, as expeditiously as practicable, to repair the damage. In the event either the Landlord or the Tenant reasonably determines that the damage may not be repaired within sixty (60) days after the casualty, then either the Landlord or the Tenant may terminate this Lease by giving the other party written notice of its intention to terminate within Twenty (20) days after the date of the casualty. Notwithstanding the foregoing, in case the fire or other casualty shall be caused by the carelessness, negligence or improper conduct of Tenant, its agents, servants, employees, visitors or licensees then, Tenant shall be liable for the full amount of rental during the period of restoration or until cancellation, and all required repairs shall be made at Tenant's expense. In no event shall Landlord be required to repair, restore or rebuild any portions of the Premises constituting a part of Tenant's trade fixtures, equipment or personal property. No compensation or claim will be paid by Landlord, or diminution of rent allowed by Landlord, by reason of inconvenience, annoyance or injury to business arising from the necessity of repairing any other portion of the Building, however the necessity may occur.

15. **HOLD HARMLESS; INSURANCE:** Other than for Landlord's negligence or willful misconduct, subject to the local government Tort Claims Act, Tenant agrees that it will indemnify and save Landlord and its agent(s) harmless of and from any and all liabilities, damages, causes of action, suits, claims, judgments, costs and expenses of any kind (including attorneys' fees) (i) relating to or arising from the possession, use, occupation or control of the Premises, or any portion thereof, or (ii) resulting from any default, violation or nonperformance of this Lease by Tenant, or (iii) resulting from injury to person or property or loss of life sustained in or about the Premises, or (iv) arising from or in connection with any act or omission of Tenant or Tenant's agents, employees or invitees. To assure such indemnity, Tenant shall carry and keep in full force and effect at all times during the term of this Lease for the protection of Landlord, its agent(s) and Tenant herein, public liability insurance with limits of at least One Million Dollars (\$1,000,000.00) for each accident and Five Hundred Thousand Dollars (\$500,000.00) for each separate injury, and property damage insurance in the amount of One Hundred Thousand Dollars (\$100,000.00). Tenant certifies that Landlord and its agent(s) shall be maintained at all times as a Certificate Holder under such insurance policy. In the event Tenant shall fail to maintain such policy of insurance then Landlord may, after three (3) days' written notice to Tenant, obtain such policy and pay the premium thereon and the amount so paid shall be added to the next installment of Minimum Rent. It is understood and agreed that all personal property, goods, wares and merchandise in the Premises shall be and remain at the sole risk of Tenant or those claiming through Tenant, and Landlord shall not be liable for any damage to or loss of such personal property, goods, wares and merchandise arising from bursting, overflowing or leaking of the roof or of water, sewer or steam pipes, or from heating or plumbing fixtures, or from handling of electrical wires or fixtures or from any other cause whatsoever, unless said damages are caused through the gross negligence of Landlord. Tenant certifies that it has either obtained its own insurance coverage for losses to personal property of any kind, which may be in or on the Premises or has decided to self-insure for such losses.

16. **SUBORDINATION:** This Lease shall be subject to and subordinate at all times to the lien of any mortgages and/or deeds of trust and all land leases now or hereafter made on the Landlord or Building or Premises, and to all advances made or hereafter to be made thereunder. This subordination provision shall be self-operative and no further instrument of subordination shall be required.

17. **ATTORNMEN:** If any proceedings are commenced for the foreclosure of any mortgage or deed of trust encumbering the Land, Building or Premises, Tenant agrees to attorn to

the purchaser at the foreclosure sale, if requested to do so by such purchaser, and to recognize such purchaser as Landlord under this Lease, and Tenant waives the provisions of any statute or rule of law, now or hereinafter in effect, which may give or purport to give Tenant any right to terminate this Lease in the event such foreclosure proceeding is commenced and the Premises are sold pursuant to such proceeding. In the event the purchaser at any such foreclosure sale shall so request Tenant to attorn to such purchaser, Tenant shall not be credited as against such purchaser with any Minimum Rent allocable to the period after the date of such foreclosure sale and paid more than thirty (30) days in advance of its due date.

18. SUBLETTING AND ASSIGNMENT: Tenant will not sublet the Premises or any part thereof or transfer possession or occupancy thereof or rent desk space therein to any person, firm or corporation or transfer or assign this Lease without the prior written consent of Landlord, nor shall any subletting or assignment thereof be effected by operation of law or otherwise without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. In the event Tenant desires to sublet or assign all or any portion of the Premises, Tenant shall give Landlord thirty (30) days' written notice of Tenant's intention to do so. Within thirty (30) days after receipt of said notice, Landlord shall have the right to sublet the Premises from Tenant at the same rental stipulated herein. If Tenant's notice to Landlord states that Tenant desires to sublet or assign all of the Premises, Landlord shall have the additional right to terminate this Lease within such thirty (30) day period and thereafter to release the Premises. In the event Landlord has not exercised its right to either terminate this Lease or to sublet from Tenant as aforesaid, Tenant may sublet the Premises after first obtaining the written consent of Landlord, but, in any event, Landlord may for any reason withhold its consent to any assignment, subletting or transfer. Further, no such assignment or subletting nor the consent of Landlord thereto shall release, discharge or affect the liability of Tenant, as provided in this Lease, for the full term hereof. Any consent by Landlord to an assignment or subletting of this Lease shall not constitute a waiver of the necessity for such consent as to any subsequent assignment or subletting. If Tenant is a corporation, unincorporated association or partnership, and Tenant shall without the prior written consent of Landlord, transfer, assign or hypothecate any stock or interest in such corporation, association or partnership so as to result in a change in the control thereof by the person, persons or entities owning a controlling interest therein as of the date of this Lease, then Landlord shall have the option to terminate this Lease at any time after actual notice of such change by giving Tenant at least sixty (60) days' prior written notice and, on the date fixed in such notice for termination of this Lease, this Lease shall expire and come to end with the same effect as if said date were originally set forth in this Lease for expiration of the term. The mere receipt by Landlord of rent from a party other than Tenant shall not be deemed actual notice of any change in control or ownership of Tenant nor shall receipt constitute Landlord's consent to such change.

19. CONDEMNATION: This Lease shall terminate and the rental payable hereunder shall be abated to the date of such termination in the event of the forcible leasing in excess of one year or condemnation of the Premises or any part thereof by any competent authority under the right of eminent domain for any public or quasi public use or purpose which renders the balance of the Premises economically unviable. If the nature, location or extent of any proposed condemnation affecting the Building is such that Landlord elects in good faith to demolish all or substantially all of the Building, then Landlord may terminate this Lease by giving at least sixty (60) days' written notice of termination of Tenant at any time after such condemnation, and this Lease shall terminate on the date specified in such notice. The forcible leasing by any competent authority of any portion of the Building other than the Premises shall have no effect whatever upon this Lease. In case of any taking or condemnation, whether or not the term of this Lease shall cease and terminate, the entire award shall be the property of Landlord, and Tenant hereby assigns to Landlord all of its right, title and interest in and to any such award. Tenant, however, shall be entitled to claim, prove and receive in the condemnation proceeding such awards as may be allowed for fixtures and other equipment installed by it, but only if such awards shall be made by the Court in addition to the award made by the Court to Landlord for the Land and Building or part thereof so taken.

20. FLOOR LOADING: Landlord shall have the right to prescribe the weight, method of installation and position of safes or other heavy fixtures or equipment. Tenant shall not install in the Demised Premises any fixtures, equipment or machinery that shall place a load upon any floor exceeding the floor load per square foot area which such floor was designed to carry. Tenant agrees that all damage done to the Property by taking in or removing a safe or any other

article or Tenant's office equipment, or due to its being in the Demised Premises shall be repaired at the expense of Tenant. No freight, furniture or other bulky matter of any description shall be received on the Property or carried in the elevators, except as approved by Landlord, who shall, however, not be responsible for any damage to or charges for moving the same. Tenant agrees promptly to remove from the public area any of Tenant's property there delivered or deposited.

21. TENANT'S EQUIPMENT:

A. Tenant shall not install or operate in the Demised Premises (i) any electrically operated equipment or other machinery, other than typewriters, adding machines, copying machines and such other electrically operated office machinery and equipment normally used in general office or (ii) any electrically operated equipment or other machinery using more than 120 volts, without first obtaining the prior written consent of Landlord, which consent shall not be unreasonably withheld. Tenant shall not install any other equipment of any kind or nature whatsoever which may necessitate any changes, replacements or additions to, or in the use of, the water, heating, air conditioning, plumbing or electrical systems of the Property, without first obtaining the prior written consent of Landlord, which shall not be unreasonably delayed, conditioned or withheld. Permitted machinery and equipment belonging to Tenant which cause noise or vibrations that may be transmitted to any part of the Property to such a degree as to be objectionable to Landlord or to any tenant of the Property shall be installed and maintained by Tenant, at Tenant's expense, on vibration eliminators or other devices sufficient to eliminate such noise and vibrations.

22. QUIET ENJOYMENT: Landlord covenants that, upon payment of the rent herein provided, and the performance by Tenant of all covenants herein, Tenant shall have and hold the Premises free from any interference from Landlord, except as otherwise provided herein.

23. TENANT'S DEFAULT: Tenant shall be in default of this Lease upon the happening of any one of the following:

A. Failure to pay the rent or any other sum required by the terms of this Lease within ten (10) business days after the due date.

B. The commencement of any action or proceeding for the dissolution or liquidation of Tenant, or for the appointment of a receiver or trustee of Tenant's property, and the failure to discharge any such action within twenty (20) days.

C. The making of any assignment for the benefit of creditors, or if Tenant is declared bankrupt.

D. Failure to comply with the rules and regulations of the Building after twenty (20) days written notice from Landlord.

E. Failure to perform or observe any other term, covenant or condition of this Lease and the continuance therefor for twenty (20) days after written notice from Landlord. In addition to any other remedies contained herein the Landlord at his sole discretion may convert this Lease to month-to-month lease if the Tenant has been in default for any rent or other amounts owed for over (30) days and Landlord provides written notice of his intent to convert the Lease to a month-to-month Lease.

Upon default, as hereinabove defined, Landlord, without notice to Tenant, may enter upon the Premises without terminating this Lease and do any acts, which Landlord may deem necessary to cure such default. Landlord may, on ten (10) business days advance written notice to Tenant, terminate this Lease and, with legal process, take possession of the Premises and remove Tenant or any other occupant. Landlord shall be entitled to recover as damages from Tenant an amount equal to the balance of all rent due to the end of the Lease term, together with all legal and other expenses incurred, including the cost of reletting the Premises. Tenant shall be credited however, with any net amounts received by Landlord from the reletting of the Premises. It is expressly agreed that Landlord shall not be liable for any failure to relet the Premises. Landlord agrees to use reasonable efforts to mitigate tenant's damages. Landlord may maintain separate actions each month to recover the damages, without waiting to the end of the term of this Lease.

24. ATTORNEYS' FEES: In the event Landlord or Tenant employs attorney(s) due to an alleged violation of any term or provision of this Lease by the other party, the prevailing party shall be entitled to reasonable attorney(s) fees and all court costs, provided it is determined that the non-prevailing party is adjudicated at fault in a court of law.

25. SURRENDER OF PREMISES: Upon the expiration or termination of this Lease, Tenant shall quit and surrender the Premises to Landlord broom clean and in good order, ordinary wear and tear excepted, and shall remove all of its property therefrom. The obligations of this Paragraph shall survive the termination of this Lease. In the event tenant fails to remove furniture, trade fixtures or machinery from the Premises by the expiration of this Lease, it is agreed that Tenant is abandoning said furniture, trade fixtures and machinery and the same shall become the property of Landlord, who shall have the right to use, remove or dispose of same at Tenant's expense.

26. TENANT HOLDING OVER: If Tenant shall not immediately surrender possession of the Premises at the termination of this Lease, Tenant shall become a tenant from month-to-month, provided rent shall be paid to and accepted by Landlord in advance at one and one half times the Minimum Rent payable hereunder just prior to the termination of this Lease; but unless and until Landlord shall accept such rental from Tenant, Landlord shall continue to be entitled to retake or recover possession of the Premises as hereinbefore provided in case of default on the part of Tenant, and Tenant shall be liable to Landlord for any loss or damage Landlord may sustain by reason of Tenant's failure to surrender possession of the Premises immediately upon the expiration of the term of this Lease. If Tenant shall fail to surrender possession of the Premises immediately upon the expiration of the term hereof, Tenant hereby agrees that all obligations of Tenant and all rights of Landlord applicable during the term of this Lease shall be equally applicable during such period of subsequent occupancy, whether or not a month-to-month tenancy shall have been created as aforesaid.

27. LANDLORD'S LIABILITY: In no event shall any member of the LLC or any successor LLC including any successor assignee of all or any portion of Landlord's interest in the building or Land, be personally liable or accountable with respect to any provision of this Lease. If Landlord shall be in breach or default with respect to any obligation hereunder or otherwise, Tenant agrees to look for satisfaction solely to the equity of Landlord in the Building and Land. The liability of Landlord, or other entity comprising Landlord, shall in no event exceed the amount of such equity and no other assets of Landlord (or any partners, stockholders or officers of Landlord) shall be subject to levy, execution or other procedures for satisfaction of Tenant's remedies. In the event Landlord transfers this Lease, other than as security for a mortgage, ground lease or deed of trust, Landlord (and, in case of any subsequent transfers or conveyance, then grantor) shall, upon such transfer and acceptance by the transferee be relieved from all liability and obligations hereunder arising after such transfer, including any liability to Tenant for any security deposit under this Lease.

28. NOTICES: All notices, demands, requests, approvals, consents or other instruments required or desired to be given hereunder by either party to the other shall be personally delivered or sent by U.S. certified or registered mail, return receipt requested, first class postage prepaid, addressed as follows: If to Landlord: Investment Properties, Inc., 11 N. Washington St., Suite 200, Maryland 20850; if to Tenant: at the Premises, with a copy to Burt Hall,
Director of Recreation and Parks

29. ESTOPPEL CERTIFICATES: Tenant agrees from time to time, within five (5) business days of request from Landlord, to execute, acknowledge and deliver to Landlord, or to such other person(s) as Landlord may indicate, a statement in writing certifying that Tenant is in possession of the Premises and currently paying rent at the then-applicable Minimum Rent and that this Lease is in full force and effect, and containing such other information as may be required.

30. SUCCESSORS AND ASSIGNS: This Lease and the covenants and conditions herein contained shall inure to the benefit of and be binding upon Landlord, its successors and assigns, and shall inure to the benefit of and be binding upon Tenant, its heirs, distributees, personal representatives, successors and assigns, provided that as to the assigns of Tenant, the benefits shall inure to such assigns only if the assignment has been consented to in writing by Landlord.

31. **ENTIRE AGREEMENT:** This Lease together with Exhibits A, B, C and D contain the entire agreement of the parties in regard to the Premises. There are no oral agreements existing between them.

32. **OTHER PROVISIONS:** This Lease shall be construed and governed by the laws of the State of Maryland. No waiver of any breach of any covenant, condition or agreement contained herein shall operate as a waiver of the covenant, condition or agreement itself, or of any subsequent breach thereof. If any term, covenant or condition of this Lease or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Lease or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant and condition of this Lease shall be valid and enforced to the fullest extent permitted by law.

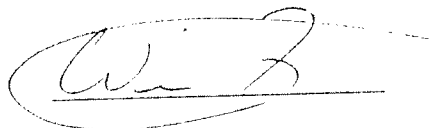
33. **BROKERAGE:** Landlord and Tenant each represent that they had no dealings with any real estate broker, finder or other person with respect to this Lease in any manner other than Coakley Realty. Landlord and Tenant agree to indemnify and hold each other harmless against and from any claims for any brokerage commission or other fees and all costs, expenses and liabilities in connection therewith, including, without limitation, attorneys' fees and expenses, arising out of any dealings had by Tenant with any broker.

34. **WAIVER OF TRIAL BY JURY:** The parties hereto shall, and they hereby do, waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use and occupancy of the demised premises and/or any claim of injury or damage. In the event the Landlord commences any proceedings for non-payment of rent, minimum rent or additional rent, Tenant will not interpose any counterclaim of whatever nature or description in any such proceedings. This shall not, however, be construed as a waiver of Tenant's right to assert such claims in any separate action brought by Tenant.

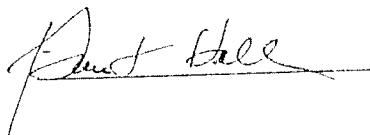
35. **CONDOMINIUM DOCUMENTS:** Attached hereto is a copy of the filed condominium documents for the Building. Tenant hereby acknowledges that they have reviewed the condominium documents and will abide by the rules and regulations described therein. The condominium association is responsible for the maintenance, repair and operation of all common areas including the parking garage and Landlord shall provide all maintenance and repair of the common areas as owner of the demised premises and a member of the condominium association in accordance with the filed condominium documents for the Building.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease under seal as of the day and year first above written.

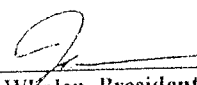
WITNESS:



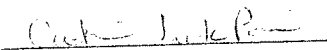
WITNESS:



LANDLORD:
TJ&C Associates, LLC

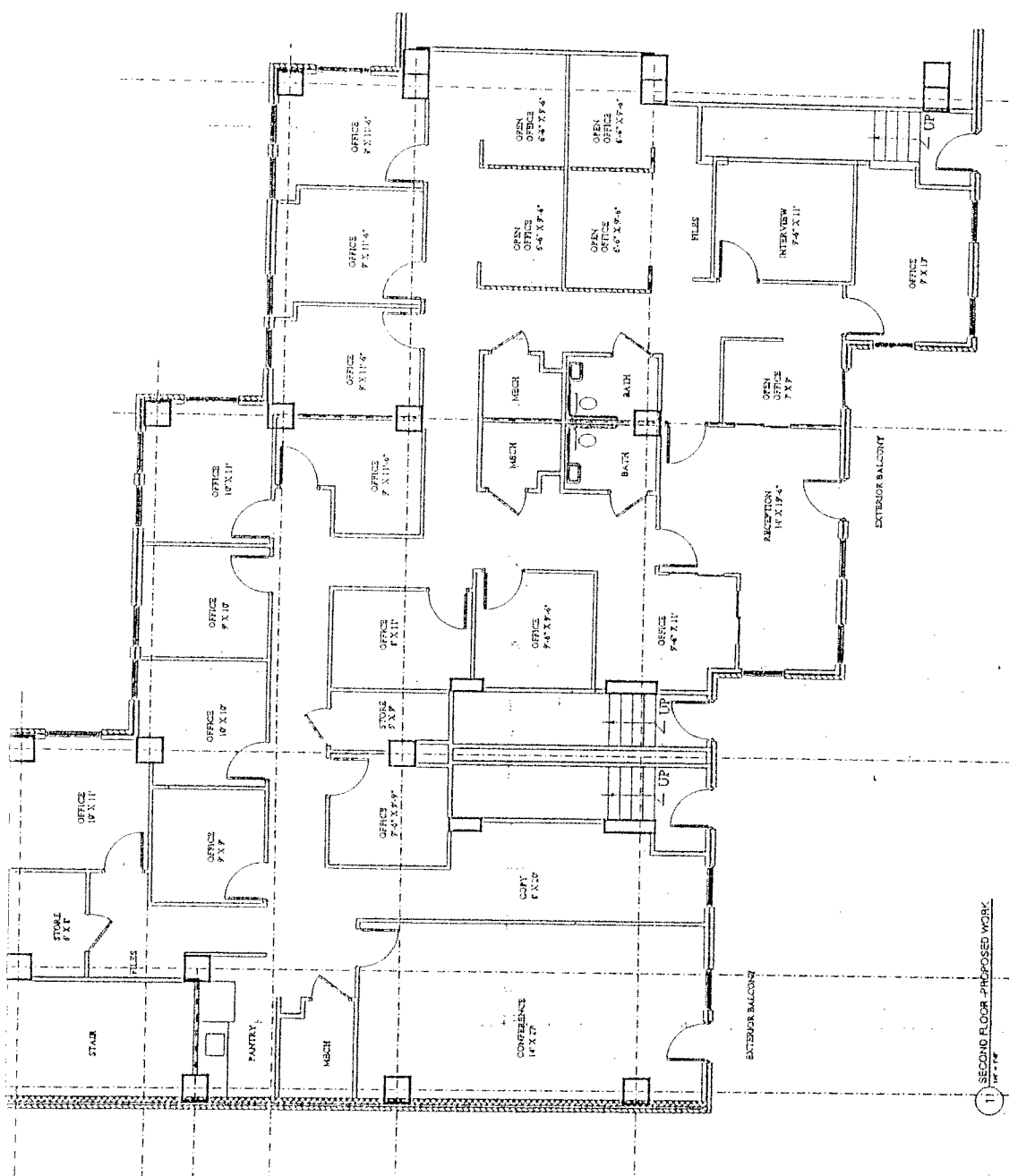

James Whalen, President
Investment Properties, Inc

TENANT:

 (SEAL)
City of Rockville
CATHERINE TUCK BARRISH
ACTING CITY MANAGER

LIST OF EXHIBITS

Exhibit A	Demising Plan
Exhibit B	Description of Work to be performed by Landlord
Exhibit C	Property Rules and Regulations
Exhibit D	Condominium Documents



REGISTRATION	
SIGNATURE	<i>Paul A. Hill</i>
DATE	4-19-04
SCALE	1/4" = 1'-0"
DRAWN BY	
APPROVED BY	
SECOND FLOOR PLAN	

EXHIBIT B

Landlord will construct the improvements as detailed on the attached drawing using building standard materials.

EXHIBIT CProperty Rules and Regulations

Tenant shall, at all times during the term of the Lease:

1. Use, maintain and occupy the Premises in a careful, safe, proper and lawful manner; keep the Premises and its appurtenances in a clean and safe condition;
2. Keep all glass in the doors and windows of the Premises clean and in good repair;
3. Not place, maintain or sell any merchandise in any vestibule or entry to the Premises, on the sidewalks or enclosed area adjacent to the Premises or elsewhere on the outside of the Premises without the prior written consent of Landlord;
4. Keep the Premises in a clean, orderly and sanitary condition, free of insects, rodents, vermin and other pests;
5. Not permit undue accumulations of garbage, trash, rubbish and other refuse in or about the Premises; and keep refuse in closed containers within the interior of the Premises until removed;
6. Not use, permit or suffer the use of any apparatus or instruments for musical or other sound reproduction or transmission in such manner that the sound emanating therefrom or caused thereby shall be audible beyond the interior of the Premises;
7. Not deliver or suffer or permit delivery of large or bulky merchandise to the front of the Premises after 10:00 am on any day;
8. Make advance arrangements for any desired reserved use of any elevators;
9. Keep all mechanical apparatus free of vibration and noise so as to prevent any noise and vibrations from being transmitted beyond the interior of the Premises;
10. Not cause or permit objectionable odors to emanate or be dispelled from the Premises;
11. Not overload the floors or electrical wiring and not install any additional electrical wiring or plumbing without Landlord's prior written consent;
12. Not use display windows in the Premises for any purpose other than the display of merchandise for sale in a neat and attractive manner;
13. Not conduct, permit or suffer any public or private auction sale to be conducted on or from the Premises;
14. Not solicit business in the common areas and facilities or distribute handbills or other advertising materials in the common areas and facilities; if this provision is violated the Tenant shall pay Landlord the cost of collecting such material from the common areas and facilities for trash disposal;
15. Park all vehicles belonging to Tenant, its employees and invitees in areas designated for such from time to time by Landlord; Landlord hereby advises Tenant that the parking areas directly in front of the Property are exclusively reserved for customers of the tenants;
16. Not to move furniture or equipment into or out of the Premises except at such times as Landlord may from time to time designate;
17. Keep all doors leading to corridors or main halls (if any) or to exterior or public areas closed at all times except as they may be used for ingress or egress;
18. Not to place any boxes, trash or other objects in the corridors, stairwells or other public areas except in approved containers.

The above rules and regulations are accepted and agreed this 14th day of April, 2004

WITNESS OR ATTEST:

TENANT:

CATHERINE TUCK PARRISH
 ACTING CITY MANAGER

EXHIBIT D

Condominium Documents

PREVIOUSLY REVIEWED BY TENANT



Investment Properties, Inc.

April 21, 2004

Mr. Guerdon H. Stuckey
City of Rockville
111 Maryland Avenue
Rockville, MD 20850

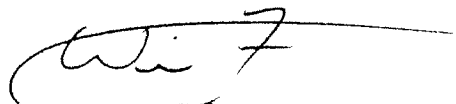
RE: Lease Agreement
20 C.H. Square

Dear Mr. Stuckey:

As we discussed, I am forwarding the original copy of the above referenced Lease Agreement to the City Attorney along with one copy each for yourself and Mr. Burt Hall. I have also attached a new Schedule, A which shows the final approved construction plan that was accepted on April 19, 2004. In that regard, I understand that there are Tenant built-ins in the copy room, and the two offices adjacent to the reception area. We will have those items priced separately by the contractor and will forward those costs to your for approval. I have directed our contractors to include the shelving in both storage areas in our costs.

Please let me know if you have any questions regarding any of the Lease issues. We look forward to having you as a neighbor for many years to come.

Sincerely,



William C Ferguson
CFO

Cc: Burt Hall
David Podolsky